

Message Text

UNCLASSIFIED

PAGE 01 MANAGU 01206 011459Z

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ACTION ARA-20

INFO OCT-01 ISO-00 SSO-00 CCO-00 NSCE-00 USIE-00 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04

RSC-01 PRS-01 SPC-03 SS-20 SAB-01 COME-00 DOTE-00

EB-11 FMC-04 CG-00 COA-02 DLOS-06 SWF-02 TRSE-00

DRC-01 OPR-02 CIEP-02 INRE-00 /111 W
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O 011415Z APR 74

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC IMMEDIATE 3781

INFO AMEMASSY PANAMA IMMEDIATE

/USCINCSO IMMEDIATE

UNCLAS MANAGUA 1206

USCINCSO FOR POLAD

E. O. 11652: N/A

TAGS: PFOR, PN, NU

SUBJECT: NICARAGUAN VIEWS ON PROPOSED PANAMA CANAL TOLL INCREASE

REF: STATE 058007

1. PER REFTEL EMBASSY REMINDED GON OF NEED TO SUBMIT VIEWS ON PROPOSED PANAMA CANAL TOLL INCREASE BY APRIL 1. MINISTER OF ECONOMY JUAN JOSE MARTINEZ SUBMITTED GOVERNMENT POSITION OPPOSING INCREASE IN LETTER TO THE AMBASSADOR DATED MARCH 29. UNOFFICIAL TRANSLATION OF THE LETTER IS AS FOLLOWS:

2. BEGIN QUOTE. DEAR MR. AMBASSADOR: ON THE 27TH OF MARCH THE OFFICE OF "MARINA MERCANTE NICARAGUENSE" (MAMENIC LINE) RECEIVED FROM ITS AGENT IN PANAMA, THE FOLLOWING COMMUNICATION CONCERNING AN INCREASE OF 20 PERCENT TO THE TOLL CHARGES OF THE PANAMA CANAL. THE CABLE READS AS FOLLOWS: THE PANAMA CANAL CO. REQUESTED AN INCREASE OF TWENTY PERCENT WHICH IS PRESENTLY UNDER
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PAGE 02 MANAGU 01206 011459Z

STUDY IN WASHINGTON AND WILL BECOME EFFECTIVE ON APPROVAL BY THE

PRESIDENT BUT NOT EARLIER THAN SIX MONTHS FROM THE DATE OF PUBLICATION

N
IN THE FEDERAL REGISTER. (END CABLE) (NEW PARAGRAPH) ACCORDING
TO THE RULES FOR THE MEASUREMENTS OF VESSELS FOR THE PANAMA CANAL,
THE PANAMA CANAL COMPANY APPLIES THE FOLLOWING RATES: IN BALLAST:
US\$0.72 PER NET TONNAGE OF VESSEL; LOADED: US\$0.90 PER NET TONNAGE
OF VESSEL, PLUS THE WEIGHT OF THE CARGO CARRIED. (NEW PARAGRAPH)
ASIDE FROM THESE CHARGES, THERE ARE VARIOUS OTHER CHARGES FOR THE
TRANSIT OF EACH VESSEL, AS FOLLOWS: TOWING CABLES: US\$350.00; TUG
CHARGES: US\$510.00; PILOTAGE: US\$95.00; FOOD FOR THE TUG'S CREW:
US\$346.50; TOTAL: US\$1,301.50. (NEW PARAGRAPH) THIS IS AN
AVERAGE OF THE ADDITIONAL CHARGES TO THE REGULAR TARIFF OF THE PANAMA
CANAL COMPANY. (NEW PARAGRAPH) THE EFFECTS OF A 20 PERCENT
INCREASE IN THE TARIFF RATES OF THE PANAMA CANAL, ON THE CARGO TO
NICARAGUA, CAN BE SUMMED UP AS FOLLOWS: (1) PASSAGE THROUGH THE
CANAL ACCORDING TO THE PRESENT TARIFF, OF A 2,450 TON VESSEL (NET
REGISTRY ACCORDING TO THE RULES OF THE PANAMA CANAL) AT US\$0.90
PER TON WHEN LOADED: FIRST PASSAGE: US\$2,205.00; SECOND PASSAGE:
US\$2,105.00; TOTAL: US\$4,410.00. APPLYING THE NEW
TARIFF (THE FORMER INCREASED BY 20 PERCENT) IT WOULD BE US\$1.08:
FIRST PASSAGE: US\$2,646.00; SECOND PASSAGE: US\$2,646.00; TOTAL:
US\$5,292.00. (2) IN A ROUND TRIP WE ARE USING AN AVERAGE OF 2,900
TONS: PASSAGE THROUGH THE CANAL FOR EACH TON OF CARGO (PRESENT TARIFF
)
US\$ 1.52. PASSAGE THROUGH THE CANAL FOR EACH TON OF CARGO (INCREASED
TARIFF): US\$ 1.82. (3) ESTIMATE OF THE COST OF PASSAGE THROUGH THE CA
NAL
PER TON OF CARGO IN A VESSEL CHOSEN AT RANDOM:

	TONS	PAS. CANAL	PER	PAS. CANAL	PER
	PRESENT	TON	INCREASED	TON	
	TARIFF		TARIFF		
IMPORT CARGO	3,156	2,205.00	0.72	2,646.00	0.84
EXPORT CARGO	1,450	2,205.00	1.52	2,646.00	1.82
TOTAL	4,606	4,410.00	0.96	5,292.00	1.15

(NEW PARAGRAPH) AS CAN BE SEEN IN THE FOREGOING TABLES, THE
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PAGE 03 MANAGU 01206 011459Z

TARIFF INCREASE OF THE PANAMA CANAL WOULD AFFECT NICARAGUA CONSIDERAB
LY,
PARTICULARLY SINCE THE NEED FOR IMPORTED MERCHANDISE HAS BECOME MUCH
GREATER AS A RESULT OF THE DECEMBER 1972 EARTHQUAKE AND THE NEED TO
RECONSTRUCT MANAGUA. (NEW PARAGRAPH) THIS INCREASE WOULD
DIRECTLY AFFECT NEARLY ALL IMPORTED GOODS, FOR, AS IS WELL KNOWN, THE
PORT MOVEMENT OF NICARAGUA IS ON THE PACIFIC COAST AND THE MAJORITY O
F

THAT CARGO HAS TO PASS THROUGH THE PANAMA CANAL. (NEW PARAGRAPH)
IT IS IN OUR INTEREST TO EXPRESS IN SUCCINCT FORM, THE NEGATIVE EFFEC
T
SUCH A DISPOSITION WOULD HAVE ON THE NICARAGUAN ECONOMY. IT
UNDOUBTEDLY WOULD BE REFLECTED IN THE PRICE OF IMPORTS, PRESSURING
EVEN MORE THE HIGH PRICES WE ALREADY PAY FOR SUCH PRODUCTS, AND MAKIN
G
THEIR PURCHASE MORE DIFFICULT. ON THE OTHER HAND, THE PRODUCTS WE
EXPORT WILL ALSO BE AFFECTED AS THEIR HIGHER COST WILL MAKE THEM LESS
COMPETITIVE IN THE INTERNATIONAL MARKET AND IN CENTRAL AMERICA. (NEW
PARAGRAPH) IN VIEW OF THE EXPRESSED REASONS, WE REQUEST THE GOOD
OFFICE OF THE EMBASSY BEFORE THE APPROPRIATE AUTHORIT
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